The State Government has informed that against the estimated requirement of 1.25 lakh MTs of MOP for Kharif 2000, suppliers have committed supply of more than 1.54 lakh MTs. Further M/s. IPL have also committed to supply 6,000 MTS of SOP to Andhra Pradesh which should be adequate to meet the requirement of farmers of Andhra Pradesh.

Misuse of Retention Price Scheme by Fertilizer Units

4269. DR. MAHESH CHANDRA SHARMA : Will the Minister of CHEMICALS AND FERTILISERS be pleased to state :

(a) whether some fertilizer industrial units are misusing 'Retention Price Scheme' by way of breach of law by installing larger plants than sanctioned, collecting consequently much higher profits and producing the real capacity of the plant collecting even higher subsidy; and

(b) what was originally proposed as a subsidy for the farmer, has become a source of huge profiteering by the Industry ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS) : (a) The Government is seized of the matter relating to excess drawal of subsidy by under statement of capacities by some of the urea manufacturing units.

(b) The Retention Price-cum-Subsidy Scheme (RPS) was introduced in 1977 with the twin objective of making available fertilizer to farmers at affordable prices and at the same time ensuring reasonable return on net worth to entrepreneurs. Subsidy on urea is primarily passed on to farmers in the form of an uniform and statutorily notified sale price which is far less than the cost of production.

Revival of FCI Unit at Ramagundam

4270. DR. ALLADI P. RAJKUMAR :

SHRI C. RAMACHANDRAIAH :

Will the Minister of CHEMICALS AND FERTILISERS be pleased to state :

(a) whether the Andhra Pradesh Government has requested to save the Fertilizer Corporation of India unit at Ramagundam facing closure; and

(b) if so, the action proposed to revive the unit early, in view of interests of backward areas and the employees ?